

# Collection of Taxes: Present and Future

LITC Grant Conference 12/6/06

New Orleans, LA

# What will we cover today?

- Review of how federal income taxes get to the collection stage.
- Cast of characters in the Collection Arena
- Collection alternatives and the pros & cons:
  - Installment Agreements
  - Offers in Compromise
  - Currently Not Collectible
  - Bankruptcy
- The Future of Collection

# How does a federal income tax debt arise?

- Taxpayer files a return showing an amount of tax as due (self-assessed)
- IRS examines (audits) a filed return and proposes an additional tax (deficiency)
- IRS matches information returns with a taxpayer's SSN and discovers income was not included in a return and assesses additional tax (Automated Underreporter process)
- IRS matches information returns with a taxpayer's SSN and discovers a return was not filed and prepares a substitute for return (SFR).
- Taxpayer files an amended return showing an additional tax due or the IRS audits an amended return and assesses an additional tax.

# The Stages of IRS Notices that start collection

- IRS usually issues a series of 4 notices with regards to a tax debt, each one more ominous.



**IRS** Department of the Treasury  
Internal Revenue Service  
ATLANTA, GA 39901-0030

[illegible]

\*502691024101\*

We show you still owe **\$1,167.05.**

### Account Summary

For information on  
your penalty & interest  
computations, you may  
call 1-800-829-0922

Notice Number: CP 501  
Notice Date: 09-29-2003

write on your check:

Amount Due: \$1,167.05

|||||

VJ BRAN 30 0 200212 670 00000116705



# ACS

- Taxpayer can respond after any notice by calling 800 number. This usually puts the taxpayer into automated collection system (ACS)
- What can you expect when you get through to ACS?

#### IRM 5.14.1.2 [Directions to ACS]

1. Prior to discussing taxpayers' ability to pay a liability, ensure they have received Publication 1: "Your Rights as a Taxpayer, " and Publication 594: "What You Should Know About The IRS Collection Process."
2. Request full payment of the tax liability. Encourage the taxpayer to pay off the tax liability as quickly as possible. If the taxpayer cannot pay the liability in full, encourage them to pay within 120 days (See IRM 5.14.5.5). If taxpayers are unable to pay in full, conduct interest-based interviews. (See IRM 5.14.1.5)
3. Request some payment from the taxpayer. Taxpayers may be required to make a payment (see IRM 5.14.1.5(6)) or payments (see IRM 5.14.3.1) while securing documentation to determine the proper disposition of accounts.
4. When taxpayers are unable to pay a liability in full, an installment agreement (IA) should be considered.
5. Taxpayers with individual income tax liabilities of \$10,000 or less (exclusive of penalties and interest) may be guaranteed an IA. Taxpayers with liabilities of \$25,000 or less, may qualify for Streamlined Agreements. (See IRM 5.14.5.2 and IRM 5.14.5.3, Guaranteed and Streamlined Installment Agreements)
6. There are various methods for making monthly installment agreement payments. The taxpayer should be encouraged to use one of the following electronic methods or credit card payments before accepting payment by check or money order:
  - A. Electronic Federal Tax Payment System (EFTPS) – Taxpayers will select the "payment-due with IRS notice" payment type for posting to masterfile with a TC 670. EFTPS has the ability to schedule payments up to 12 months in advance for individual taxpayers and up to 4 months in advance for business taxpayers. The taxpayer must initiate payments by sending instructions to EFTPS. (See IRM 21.7.1.4.9 for complete instructions).
  - B. Direct Debit installment agreements (if taxpayer maintains a checking account you should encourage them to take advantage of the direct debit installment agreement. (See IRM 5.14.10.4 for Direct Debit procedures.)
  - C. Payroll deduction installment agreements (If the taxpayer will not agree to a direct debit installment agreement, you should encourage them to take advantage of the payroll deduction agreement.) (See IRM 5.14.10.2 for Payroll Deduction procedures.)
  - D. Credit Card installment agreement payment. (See IRM 21.2.1.4.23.14.4 for procedures for paying by credit card.)
  - E. Payment by check or money order. If payments are made by check, they should be payable to: US Treasury. However, checks made out to "Internal Revenue Service" or "IRS" will be processed.

# Enforced Collection

- Last notice usually informs taxpayer of enforced collection:
  - Notice of Federal Tax Lien has been filed.
  - Notice of Intent to Levy.

# Statute of Limitation (SOL) on collection

- Internal Revenue Code (IRS) §6502- Generally, the IRS has 10 years from date of assessment to collect a federal tax debt. [NOTE: In many states, a related STATE TAX DEBT can be collected longer or forever.]
- This period may be extended by:
  - By agreement- IRC §6502(a)(2) if there is an installment agreement, with 90 days from the expiration of the installment period the IRS and TP can agree to an extension.
  - Tolling [Means the period stops and then starts up again after the event ends] while a Taxpayer's OIC is being considered, CDP hearing process occurs, litigation, or bankruptcy.
- CSED- Stands for Collection Statute Expiration Date and is the date the IRS shows as the last day for collecting the tax.

# Brief review of Taxpayer's Rights regarding collection actions.

- Taxpayer has the right to suggest collection alternatives at any stage and if denied, to request a Collection Appeal Process hearing.
- Taxpayer has the right to request help from Taxpayer Advocate
- The first time a lien is filed or the TP is informed of an intent to levy, TP has the right to request a collection due process (CDP) hearing.
- Taxpayer has the right to request a Taxpayer Assistance Order (TAO- Form 911) for help from Taxpayer Advocate with respect to levies.
- Generally, while an Installment Agreement is in effect, IRS may not levy. IRM 5.14.1.6

# The Cast of Characters

- Automated Collection Service (ACS)
- Private Debt Collectors (PDC)
- Taxpayer Advocate (TA)
- LITCs
- Revenue Officers/Collection employees
- Appeals- Campus Appeals, Local Appeals-  
Settlement Officers
- Centralized OIC

# Forms, forms and more forms

- Collection Information Statements
  - Form 433-A (Ask TA for Spanish version)
  - Form 433-B
  - Form 433-F (Ask TA for Spanish version)
- Form 656, Form 656-L, Form 656-A
- Form 9465, 9465SP, Form 433-D Installment Agreement
- Form 12203, Request for Appeals Review
- Form 9423 Collection Appeal Process
- Form 12153 , Form 12153SP Collection Due Process Hearing Request
- Form 668Y Federal Tax Lien

# Financial Analysis: Ability to Pay (a/k/a Reasonable Collection Potential)

- Starting point of any analysis of what is the best option for your client is the financial statement.
- IRS way of looking at ability to pay: 2 buckets:
  - Equity in assets owned by client (very inclusive)
  - Net disposable income- Monthly income vs. Monthly allowable expenses.
- Role of the National Standards and what you can do to advocate for variances.
- The IRS view of future income.

# Internal Revenue Manual (IRM)

- Financial Analysis Handbook
- IRM 5.15.1

# IRM Part 5-Collection

- IRM 5.14      Installment Agreements
- **5.14.1.1 (07-12-2005)**  
**Overview**

*Installment Agreements are arrangements whereby the Internal Revenue Service allows taxpayers to pay liabilities over time. If full payment cannot be achieved by the Collection Statute Expiration Date, and taxpayers have some ability to pay, Partial Payment Installment Agreements may be granted. During the course of agreements, penalty and interest continue to accrue. No levies may be served during installment agreements.*

# Installment Agreements

- Option #1: 36 month installment agreement- Client can fully pay the total liability over 36 months of equal payments (generally figures in an 8% interest factor.)
- Option #2: 60 month installment agreement- Client can fully pay the total liability over 60 months of equal payments (generally figures in an 8% interest factor.) Referred to as the Streamlined Installment Agreement.
- Option #3: Partial Payment Installment Agreements- Client cannot fully pay the total liability over either 36 months or 60 months, but has some ability to pay (documented with a CIS). IRS is permitted to enter into a PPIA, but by law this agreement can be reviewed by IRS for changes in circumstances every two years.
- Option #4: Installment agreement for the period of time remaining on SOL for collection.

## Authority to enter into Partial Payment Installment Agreements: IRM 5.14.2.1

*The American Jobs Creation Act of 2004 amended Internal Revenue Code (IRC) section 6159 to provide the authority for the Service to enter into partial payment installment agreements (i.e. installment agreements that do not provide for full payment of the liabilities.) IRC 6502(a)(2)(A) provides that statutory periods for collection may be extended in connection with granting installment agreements. It is the policy of the Internal Revenue Service that CSED extensions are permitted only in conjunction with Partial Payment Installment Agreements and only in certain situations (See IRM 5.14.2.2.3). It is the policy of the Internal Revenue Service that CSED extensions are limited to five (5) years beyond the original CSED for each tax account (plus up to one year – see IRM 5.14.2.1(7).) Group Managers will approve CSED extensions – see IRM 5.14.2.1(18). The CSED may be extended more than once for each balance due account as specified in IRM 5.14.2.1(6).*

# Other IRS Procedures re PPIA

## IRM 5.14.2.2

- *All taxpayers are expected to immediately full pay delinquent tax liabilities. When this is not possible taxpayers may be allowed to pay their liabilities over a prescribed period of time. If full payment cannot be achieved by the Collection Statute Expiration Date (CSED), and taxpayers have some ability to pay, the Service can grant Partial Payment Installment Agreements (PPIAs). The American Jobs Creation Act of 2004 amended IRC § 6159 to provide this authority.*
- Before a PPIA may be granted, equity in assets must be addressed and, if appropriate, be used to make payment. In most cases taxpayers will be required to use equity in assets to pay liabilities. However, as discussed below complete utilization of equity is not always required as a condition of a PPIA. Consider levy or seizure in accordance with IRM 5.10 and 5.11.1.1.2 if there is significant equity in assets. If enforcement action is appropriate, a PPIA will not be granted. Follow rejection procedures in IRM 5.14.1.3 and 5.14.9.3. In cases where PPIAs are granted after consideration of seizure, document the case file as indicated in IRM 5.14.2.2.2(6).

# Controversy surrounding PPIA

- When PPIA was being considered, it was generally understood that IRS could NOT extend the SOL on collection.
- Announced policy of the IRS, however, is to permit the IRS to request an extension of the SOL and ONLY with respect to PPIAs.
- *IRM 5.14.2.1*
- *It is the policy of the Internal Revenue Service that CSED extensions are permitted only in conjunction with Partial Payment Installment Agreements and only in certain situations (See IRM 5.14.2.2.3). It is the policy of the Internal Revenue Service that CSED extensions are limited to five (5) years beyond the original CSED for each tax account (plus up to one year – see IRM 5.14.2.1(7).) Group Managers will approve CSED extensions – see IRM 5.14.2.1(18). The CSED may be extended more than once for each balance due account as specified in IRM 5.14.2.1(6).*

#### **5.14.2.2.3 (07-12-2005)**

##### **Waiver Procedures for Partial Payment Installment Agreements**

**Do not secure Collection Statute Expiration Date (CSED) waivers on non-PPIA agreements.**

**(Emphasis added.)** Generally, do not secure waivers on PPIAs; however, consider securing waivers with PPIAs in the following situations:

**There is an asset that will come into the possession of a taxpayer after the CSED and liquidation of that asset offers the best case resolution (in lieu of liquidating existing assets to partially pay the liability).**

##### **Example:**

The taxpayer owes individual income tax and is the beneficiary to a trust. The taxpayer will receive a monthly distribution from the trust which is used to fund the PPIA. The taxpayer will not be entitled to the principal of the trust for two more years. The CSED will expire in one year. The only other asset is the taxpayer's primary residence. The equity in the property is less than the net value of the trust but is available for immediate collection action. The taxpayer has been unable to secure a loan against the equity of the property due to numerous factors such as limited income and poor credit. The risk analysis was completed by the revenue officer and the taxpayer offered to extend the statute to liquidate the trust in two years. The waiver was secured for two additional years plus one additional year.

##### **Example:**

A corporation taxpayer cannot pay its payroll tax liability within the CSED. It can make partial payments for the remaining CSED period. The corporation is current with their federal tax deposits. The corporation has an interest in undeveloped real estate which is under development and will be completed in two years. The land once developed would increase significantly in value and will be immediately sold. The CSED will expire in one year. Seizing and selling the assets of the business which would include the vacant land and construction equipment would not significantly reduce the liability and would impact the business's ability to complete the development of the property. The corporate officers offer to extend the statute to provide the opportunity to complete the development and pay the taxes along with other business debts. The trust fund recovery penalty will be addressed per IRM procedures.

A waiver is no longer required to be secured when the taxpayer's only ability to satisfy the tax liability after the CSED expiration is through a continuation of the installment agreement and there is no significant change in ability to pay as identified through the two year financial review process.

**Example:**

The taxpayer cannot pay the liability within the CSED but can make monthly payments. The statute will expire in twelve months. The taxpayer has no distrainable assets. The taxpayer owes \$1,800 and can pay \$100 per month. Secure a PPIA for twelve months and no waiver is required. The statute would be allowed to expire.

**Example:**

The individual taxpayer cannot pay the liability within the CSED but can make monthly payments. The statute will expire in three years. The taxpayer owns real property with minimal equity and they cannot borrow against the equity. The taxpayer owes \$10,000 and can pay \$200 per month. Secure a PPIA for three years and no waiver is required. There will be a two year financial review conducted. If there is no significant change in ability to pay, the payment amount will remain unchanged until the statute expires. A waiver could not be secured during the two year financial review process unless the taxpayer's financial condition has improved, the agreement is terminated, and a new one is granted.

The waiver can only be secured at the inception of the PPIA and not during the two year review process, unless a new PPIA is executed at that time. The length of the extension must be based on the time that it will take to make payments and cannot exceed five years plus one year to provide for other administrative actions.

**Note:**

***Do not secure waivers on installment agreements except on PPIAs as stated in IRM 5.14.2.2.3. (Emphasis added.)***

#### **5.14.2.2.2 (07-12-2005)**

##### **Asset Equity and Partial Payment Installment Agreements**

**No Asset/No Equity Cases:** A PPIA may be granted if a taxpayer has no assets or no equity in assets; or has liquidated available assets to make a partial tax payment.

**Asset Cases:** A PPIA may be granted if a taxpayer does not sell or cannot borrow against assets with equity because:

**the assets have minimal equity or the equity is insufficient to allow a creditor to loan funds;**

**Example:**

some lenders require equity of greater than 20% of property value in order to grant the loan.  
the taxpayer is unable to utilize equity;

**Example:**

the property is held as a tenancy by the entirety when only one spouse owes the tax and the non-liable spouse declines to go along with the attempt to borrow, and the property does not appear to have been transferred into the tenancy to avoid the tax collection.  
the asset has some value but the taxpayer is unable to sell the asset because it is currently unmarketable;

**Example:**

the business taxpayer owns a vacant lot in a high-value area, but the lot cannot be sold until it meets certain environmental regulations  
the asset is necessary to generate income for the PPIA and the government will receive more from the future income generated by the asset than from the sale of the asset;  
it would impose an economic hardship on the taxpayer to sell property, borrow on equity in property, or use a liquid asset to pay the taxes.

**Example:**

the taxpayer is on a fixed income, such as social security, and has the ability to make small monthly payments. The only other asset is the taxpayer's primary residence and there is equity in the property. The revenue officer does a risk analysis and determines that seizing the property would cause an economic hardship because the taxpayer cannot find suitable replacement housing and meet necessary living expenses if the property would be seized. Economic hardship is defined in 26 C.F.R. 301.6343-1 as not meeting reasonable basic living expenses.

**The taxpayer's loan payment would exceed the taxpayer's disposable income and they would not qualify for a loan.**

The taxpayer will normally be required to make a good faith attempt to utilize equity before the Service will approve a PPIA. This includes applying normal business standards when applying for loans using equity as collateral. Taxpayers will also be required to submit copies of all documents that are used in the loan application process.

If the taxpayer does not comply with the requirement of making a good faith attempt to use equity in assets or is not willing to make monthly payments consistent with ability to pay, the taxpayer will be considered a "won't pay" and seizure/levy action may be appropriate. If enforcement action is appropriate, a PPIA will not be granted. If the taxpayer is in pending IA status, follow rejection procedures in sections 5.14.1.3 and 5.14.9.3. The case history should be documented with a statement as to why the PPIA was not granted.

If the taxpayer is unable to secure a loan or liquidate an asset following good faith attempt to do so, the revenue officer will need to make a seizure/levy determination (See IRM 5.10.1.3). If it has been determined that enforcement action is not appropriate, a PPIA can be granted. The case history should be documented as follows: "Seizure (or levy) of (name of asset) has been considered, but it is not the appropriate resolution because (provide reason)".

# Can the IRS limit SOL extensions only to PPIAs?

- By law, IRC Sec. 6159, IRS given authority to request an extension of SOL and until PPIAs were permitted, the IRS administratively could consider an extension of SOL up to 5 years with respect to a Streamlined installment agreement.
- Is the current administrative position correct under law?

# Fees:

- IRS is authorized to charge a “user fee” for allowing an installment agreement. Treas. Reg. §§300.1, 300.2
- Through 12/31/06, the fees are:
  - \$43 to enter into an installment agreement.
  - \$24 to change an installment agreement (e.g., reinstate or change monthly amount.)
- Starting 1/1/07 fees go up and are different depending on whether or not your client is banked:
  - \$52 if installment is withdrawn directly from a bank account.
  - \$105 otherwise.
  - Question: Can client arrange to have employer pay from paycheck and qualify for lower amount?
  - \$45 to change installment agreement.

# Offers in Compromise- Overview

- IRC Sec. 7122
- Policy Statement P-5-100
- IRM Sec. 5.8
- Four types of OICs:
  - Doubt as to liability
  - Doubt as to collectibility
  - Doubt as to collectibility with special circumstances
  - Effective Tax Administration

# OIC Procedure Overview

- Can submit an OIC either through the centralized OIC unit or through Appeals, if you do so through a CDP hearing process.
- OIC must be complete to be processible.
- Client must submit all fees or sign a waiver indicating the fees can be waived.
- If Centralized OIC rejects the OIC, you can appeal to Appeals Division for review.
  - The new centralized appeals and face to face meetings.
- If OIC is rejected as part of CDP hearing, appeal but subject to an abuse of discretion standard of review.

# Policy

- Policy Statement P-5-100 states:

The Service will accept an offer in compromise when it is unlikely that the tax liability can be collected in full and the amount offered reasonably reflects collection potential. An offer in compromise is a legitimate alternative to declaring a case currently not collectible or to a protracted installment agreement. The goal is to achieve collection of what is potentially collectible at the earliest possible time and at the least cost to the Government.

# OIC “user fees”

- Fees for submitting OICs:
  - Application User Fee: \$150 unless client’s income is at or below the poverty level.
    - Why not 250% of poverty level, like LITC guidelines?
    - How do you figure yearly income?
  - New Partial Payment User Fee (applicable for all offers submitted on or after July 16, 2006 and added by **Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA)**)
    - Client must submit additional amount unless client’s income is at or below 100% of poverty level.
    - Amount:
      - New IRC 7122(c)(1)(A) subsection requires that a taxpayer filing a “lump sum” offer must pay 20 percent of the offer amount with the application. A “lump-sum” offer means any offer of payments made in five or less installments.
      - New IRC 7122(c)(1)(B) subsection requires that a taxpayer filing a “periodic payment offer” pay the first proposed installment payment with the application and pay additional installments while the IRS is evaluating the offer. A “periodic payment offer” means any offer of payments made in six or more installments.
    - Based on IRC 7122(c), the 20 percent payment on a lump sum offer and the installment payments on a periodic payment offer are considered “payments on tax” and are not refundable.
    - Offer is DEEMED accepted IF WITHIN 24 months (1) Taxpayer does not withdraw or (2) IRS does not return or reject.
  - Open Questions regarding PPUF:
    - Will a low OIC lump sum be considered frivolous?
    - Can a client offer uneven installment agreements? \$1 every month for 5 months and \$100 the sixth month?

# Illustration #1

- TP receives VA benefits of \$880 per month
- TP has necessary living expenses of \$950 per month
- TP makes offer of \$25 per month for the remainder of the CSOL. TIPRA payment sent with offer.
- COIC returned offer as not processible for failure to include \$150 user fee.

## Illustration #2

- TP is disabled, does not receive SSDI or SSI
- TP's 2005 & 2006 income is \$0.00
- Only household income is TANF o/b/o TP's child & Food Stamps
- TP can sell a non-working Winnebago for \$1000 and submits offer for the entire amount of sale proceeds
- Offer returned because he did not file a 2005 tax return & did not include TIPRA payment

# Other changes to OIC by TIPRA

- Compliance will no longer be a processability criterion for OIC initial submissions. If compliance is the only issue, the offer will be deemed processable. However, IRS will contact the taxpayer by either telephone or correspondence requesting the delinquent return(s), and/or the required estimated tax payment(s). A reasonable amount of time will be provided to the taxpayer to comply. Failure to comply will cause the IRS to return the offer back to the taxpayer and retain the application fee. The taxpayer will not have appeal rights to this decision.
- Taxpayers may designate the application of these required payments. The designation must be made in writing when the offer is submitted or when the required payment is made, clearly specifying how the partial payments are to be applied to a particular tax period(s) and to specific liabilities (e.g. income taxes, employment taxes, trust fund portions of employment, excise tax, etc.) In the absence of any written request by the taxpayer when the offer is submitted or when the required payment is made, the IRS will apply the partial payment(s) in the best interest of the government.
- A taxpayer may not designate how the application fee is applied. The OIC application fee reduces the assessed tax or other amounts due.

# CNC

- The IRS determine, based an analysis of financial information submitted by a taxpayer, that the taxpayer cannot currently pay anything toward the tax debt. In such a case, the IRS will designate the account as Currently Not Collectible. IRM 5.16 Code for this is "530" or "53"
- Accounts may be reported currently not collectible (CNC) for a variety of reasons. The appropriate closing codes (cc) are in parentheses. The most commonly used closing codes are as follows:
  - 10 inability to locate the taxpayer or assets (03)
  - 10 partial expiration of the assessment prior to issuance (04)
  - 10 complete expiration of the statutory period for collection or suit initiated to reduce tax claim to judgment (05)
  - 10 a corporation liquidated in bankruptcy (07)
  - 10 death of an individual with no collection potential from the decedent estate or no collection potential for estate taxes (08)
  - 10 accounts below tolerance (09)
  - 10 inactive and defunct businesses with no assets (10)
  - 10 inability to contact a taxpayer although the address is known and there is no means to enforce collection (12)
  - 10 the corporation remains in business and is current but is unable to pay back taxes (13)
  - 10 corporate income tax liabilities owed by a financial institution certified as insolvent by the Office of the Controller of the Currency or the Office of Thrift Supervision (15)
  - 10 collection of the liability would create an undue hardship for taxpayers by leaving them unable to meet necessary living expenses (24-32)

# CNC Value Codes

- 10 Regarding the category of “collection of the liability would create an undue hardship for taxpayers by leaving them unable to meet necessary living expenses” values for the hardship closing codes are as follows:
  - 24 \$20,000
  - 25 \$28,000
  - 26 \$36,000
  - 27 \$44,000
  - 28 \$52,000
  - 29 \$60,000
  - 30 \$68,000
  - 31 \$76,000
  - 32 \$84,000

# OIC v. CNC

- Generally, at the appeals level many LITCs have found that if a taxpayer can be classified as CNC the Appeals Settlement Officer will reject an OIC.
- Recent case in the Tax Court gives you some support for pushing back  
Oman v. Commissioner, T.C. Memo. 2006-231 (Oct. 30, 2006) [You can get copies of Tax Court decisions through its website [www.ustaxcourt.gov](http://www.ustaxcourt.gov)]

# Private Debt Collectors

- Who are the PDA's chosen by the IRS?
- What is their authority?
- What kinds of accounts were transferred to PDAs?
- How does a taxpayer/LITC know an account has been transferred to a PDA?
- How can a taxpayer/LITC make a complaint about a PDA?

# What can LITCs do to advocate for changes in collection procedures?

- Rumors that the new Congress may entertain revoking IRS authority to use PDC. Write your congresspersons (but be aware of lobbying restrictions for you organization)
- LITC advocacy for revoking new user fees. Write your congresspersons (but be aware of lobbying restrictions for you organization)
- Support studies about LITP reaction to collection to move IRS to a more customized approach that recognizes LITP challenges and different reactions by different segments.
- Model State Collection legislation to synchronize with IRS collection.

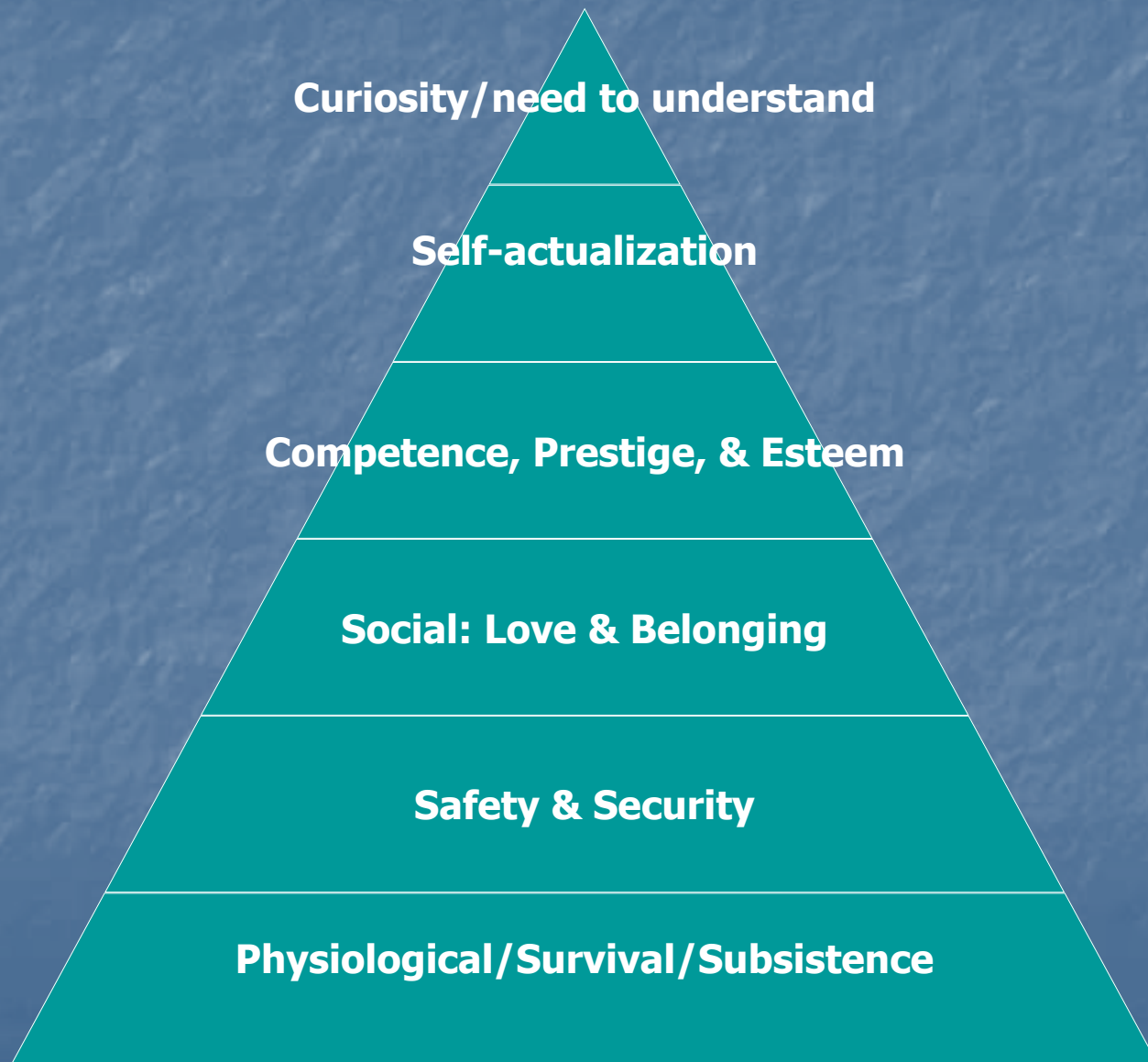
# The Future of Collections

**More of the Same,  
Screwed Down Tighter**

# Factors Which Influence Non-Compliance

- **Cost**
- **Financial Difficulty**
- **Perceived Ability to Escape Detection**
- **Perceived Benefit of Non-compliance**

# Hierarchy of Needs

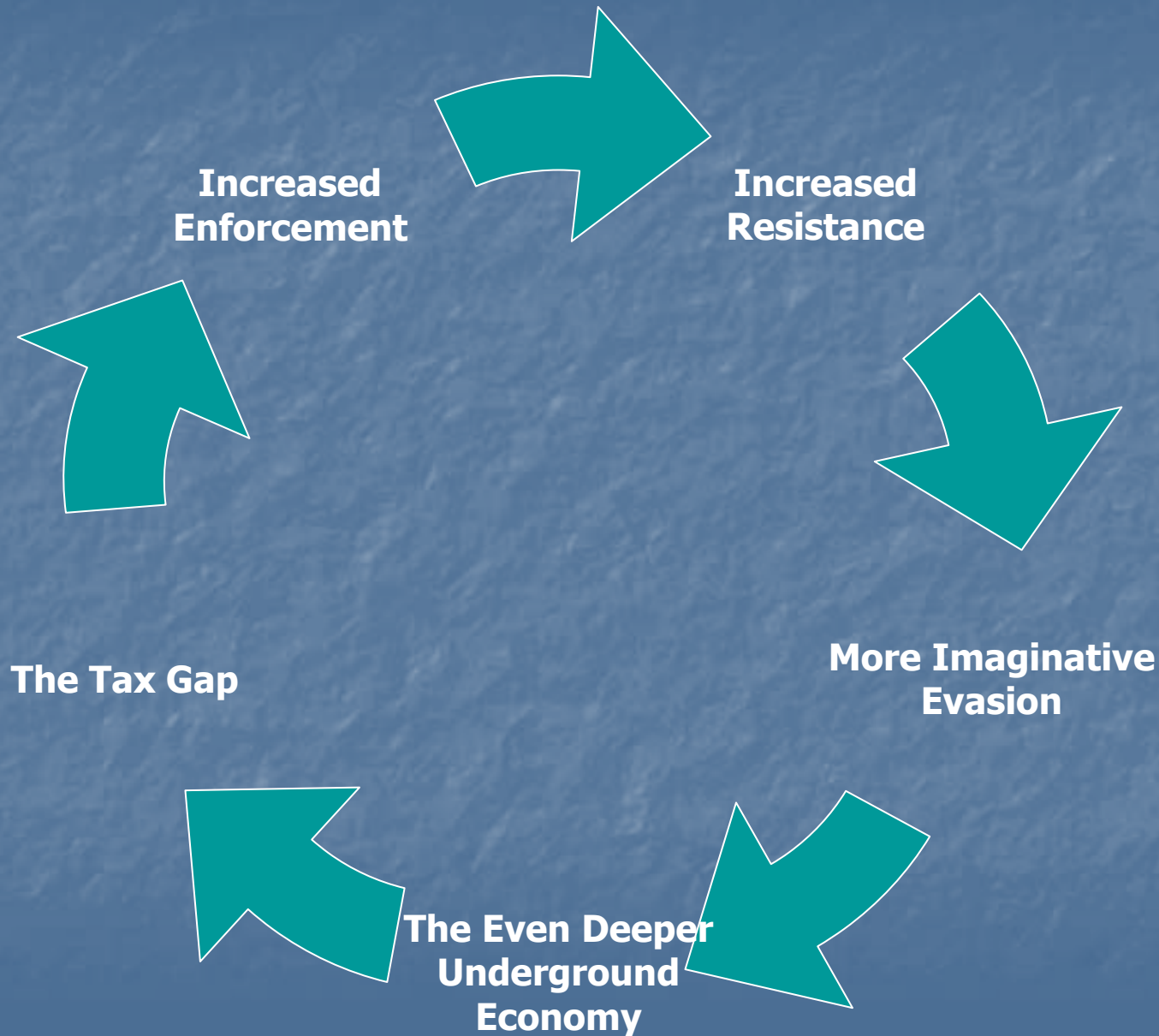


# Cycle of Non-Compliance



Enforcement + Higher Cost  $\neq$  Compliance

# Cycle of Non-Compliance & Enforcement



# **Fundamentals of Problem-Solving**

- 1. Identify the Problem**
- 2. Brainstorm Possible solutions**
- 3. Select possible solutions**
- 4. Test & Evaluate**
- 5. Revise & Redefine**
- 6. Implement**
- 7. Evaluate, Revise & Redefine**